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SIPDIS

FOR EB/CBA DENNIS WINSTEAD

E.O. 12958: N/A

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SUBJECT: BUSINESS FACILITATION INCENTIVE FUND END
OF YEAR REPORT

REF: STATE 18409

1. Post is pleased to inform EB/CBA of the completion of all activities approved under FY2002 BFIF funding. Post will fax copies of receipts as requested.

2. Following is the expenditure summary for BFIF projects, 2002:

Project 1: American Fair - trade/catalog show

Conference hall & related costs(3 days) \$1,025.00
Promotional expenses \$1,743
Product acquisition charges \$100.00
Shipment & handling charges (Colombo/Male')\$720.00
Transport/handling/clearing/re-shipment charges
(Male'/Colombo)\$1,351.00
Booth contractors' charges \$3,208.00
Clearing charges (Colombo)\$234.00
Embassy officials travel & per diem:
Airfare \$320.00
Per diem \$2,206.00
Subtotal \$10,907.00

Project 2: Commercial Outreach - India

Travel & Per diem:
Airfare \$633.00
Per diem \$937.00
Subtotal \$1,570.00

Project 3: Commercial Outreach - Singapore

Travel & Per diem:
Airfare \$544.00
Per diem \$958.00
Subtotal \$1,502.00

3. Following are the programmatic reports for BFIF projects, 2002:

--Project 1: American Fair Trade/Catalog Show
Post organized the 4th US trade event in Male, capital of the Maldives, from September 30-October 1, 2002. For the first time, the show included booths staffed by representatives of six US companies. A multi-product catalog show was also featured at this event with over seventy American companies providing literature in a wide range of sectors. This event was aimed at introducing new products and technologies that are particularly appropriate to the Maldives' particular needs.

The show was well received by the Maldivian business community with around 175 visitors over the course of the two-day show (in a city of approx. 70,000). The companies promoting wind power generation, solar panels, vinyl piling and soil technology generated much interest. Companies selling small generators also received a lot of attention. There was considerable interest in the range of food and beverage brands on display, with visitors interested in possible commercial tie-ups with the US supplier. The environmental catalogs, especially technology on alternate energy, also generated much interest among visitors, as did educational and construction material catalogs.

An additional forty invitees attended the inauguration of the fair. The chief guest, Dr. Ahmed Shaheed, Permanent Secretary of the MFA, opened the show with a talk about the importance of trade and strong relations with the US. Other invitees included the President and Board of Directors of the Maldivian Chamber of Commerce, government officials and businessmen. The inauguration ceremony appeared on national television.

The promotional strategy included a TV ad, flyers in major newspapers, banners and direct mailers.

-- Project 2: Commercial travel to India.
Econ/Comm Officer traveled October 14-19 to the three major Indian commercial cities (Mumbai, Delhi and Chennai), holding consultations with U.S. firms, local AmChams and FCS counterparts in each. The visit led to several initiatives that post is now assist U.S. businesses on: Fuller India, a subsidiary of U.S. cement firm Fuller, is looking at rehabilitating an aging cement factory in Sri Lanka; Honeywell India is planning to enter the Sri Lankan specialty chemicals market; and Heinz India is studying whether to open a packaging facility in Sri Lanka. In addition, AmCham India committed during the visit to lead a delegation to Sri Lanka, which will lead to new tie-ups among American firms active in South Asia.

--Project 3: Commercial travel to Singapore.
Econ/Comm Officer met with individual US firms and gave group presentations during a three-day commercial outreach trip to Singapore, Sept. 15-17, 2002. Many US firms based in Singapore have responsibility for Sri Lanka and the Maldives. The presentation to about 40 members of the AmCham Regional Affairs Committee took place on the first day of the highly-publicized Sri Lankan peace talks, so interest level was high, and there were many questions following the PowerPoint presentation. Representatives from the Association of US States also showed strong interest in the current situation and opportunities. Meetings with US firms, including Caltex, Bell Helicopter, Harris and Caterpillar focused on these firms' ongoing projects in Sri Lanka. Discussions with the FCS office at the Embassy generated some new ideas for opportunities in commercial promotion and cooperation. The Singapore FCS Office coordinated the visit and was instrumental in its success.

14. Post appreciates the strong support it received through BFIF in 2002, which resulted in a heightened profile for US firms in these growing markets. Planning is already underway for FY2003.
Wills